

USAID/Rwanda

Annual Report

FY 2004

June 14, 2004

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Rwanda

Performance:

Country Setting

Rwanda is a small, landlocked, and densely populated country of 8.2 million people (National Census, 2002) in central Africa. It is known for the Genocide in 1994 that was carried out by ethnic extremists who left nearly one million people dead and millions more living in exile. The government was in a state of collapse, and the economy and physical infrastructure were destroyed. The war and Genocide not only destabilized Rwanda but also affected neighboring Burundi and the Democratic Republic of the Congo (DRC). Now, almost 10 years after the Genocide, Rwanda has returned to the level of economic development that existed in 1990, before the war began. The past year has been a democratic turning point for Rwanda as the Government (GOR) promulgated a new constitution, held multi-party presidential and legislative elections, and completed a nine-year post-Genocide political transition. Peace accords to end fighting in Burundi and the DRC have led to improvements in stability in the Great Lakes Region in this year. But all Great Lakes countries remain vigilant as sporadic fighting, which could escalate at any time, continues.

Because the GOR gives high priority to safety and security, an environment conducive to economic and social development was maintained within Rwanda and the 2003 elections took place without any incidents of violence. At the same time, the GOR Demobilization and Reintegration Program, funded by the World Bank and bilateral donors, continued to demobilize the Rwanda Defense Forces (RDF), the national army, on schedule. Over 11,000 of the 20,000 RDF soldiers targeted for demobilization between December 2001 and November 2003 (under stage II) were reintegrated into their communities. Although the demobilization of rebel ex-combatants was slower than anticipated, the recent return of an important rebel leader to Rwanda is expected to generate in a large influx of ex-rebels and their families in the coming months. The challenge will be to peacefully reintegrate them into communities provide the means for them to contribute to Rwanda's economic growth and social development. This is the same challenge that released prisoners will face when the Gacaca trials are held in 2004. USAID programs for conflict management, reconciliation and rural enterprise development have provided some support to meet the needs of these groups in limited geographic areas. USAID is working with other donors to identify resources to scale-up successful pilot activities.

Another challenge facing GOR is the large influx of resources to combat HIV/AIDS including funds from the World Bank, the Global Fund for HIV/AIDS, Tuberculosis and Malaria, and the United States Government (USG). Expanding the health infrastructure and management capacity to assure that these resources provide services to all Rwandans is an immediate development challenge for the GOR and the donors. Rwanda is one of 14 countries included in the five-year President's Emergency Plan for AIDS Relief (PEPFAR) that begins in FY 2004. USAID is the lead donor for the HIV/AIDS Cluster group that works with the GOR to coordinate donor inputs and foster collaboration. Thus USAID is an important linchpin bringing together the other USG agencies involved in PEPFAR (U.S. Embassy, Public Diplomacy Section, CDC, and Office of the Defense Attaché) with the GOR agencies responsible for HIV/AIDS (Ministry of Health and National AIDS Commission), and the multilateral and bilateral donors who already provide support for HIV/AIDS or have plans to do so in the future.

Based on the successful experience in developing the education sector program, the GOR asked donors to help develop and support sector-wide programs with other line Ministries and put into place several cluster groups to facilitate this process. In addition to leading the HIV/AIDS group, USAID was named as the lead donor for the Private Sector Cluster. The first year of cluster group implementation had mixed results, depending on the level of engagement of GOR agencies in the process. As work progresses on sector-wide programs in health, agriculture, decentralization and justice, USAID will ensure the new

Strategic Objective programs are aligned with GOR sector program priorities and will establish collaborative implementation arrangements with other donors to reduce transaction costs and avoid duplication of effort.

Beneficiaries

The Rwandan economy slowed down in 2003 as world market prices for coffee and tea-the main exports-fell to even lower levels than the previous year, and agricultural production slowed due to erratic rainfall. Areas of food insecurity increased in 2003 requiring the provision of emergency food supplies to the most affected areas. In order to reduce the number of Rwandans living in poverty (estimated at 60% in 2000), the GOR must increase rural economic growth. With 84% of the population living in rural areas and 90% engaged in agriculture, USAID's focus has been on increasing food supply through improved crop varieties and increased use of fertilizer, and diversifying cash crops, especially those that would lead to increased exports. Members of farmers associations, cooperatives, private sector business groups, and community organizations, and orphans and vulnerable children and AIDS-affected households, especially in food insecure regions are primary beneficiaries of the Food Security and Economic Growth Strategic Objective (SO). Under this SO and the Democracy and Governance SO that supports civil society organizations, the beneficiaries live in provinces and districts that have been targeted because of high levels of poverty (P.L. 480 food programs), high potential for success (innovative enterprises and well-organized local non-governmental organizations-NGO), and/or areas where USAID collaborates with or complements the inputs of other donors.

In the areas of health and HIV/AIDS, increases in funding in FY 2003 allowed USAID to expand key services to prevent mother to child HIV transmission (PMTCT) to all 11 provinces of Rwanda. Although coverage is not yet national, systems were put into place that will allow HIV/AIDS prevention and care activities to reach the vast majority of pregnant Rwandan women in the coming years. In addition to serving women and newborns, HIV prevention activities are reaching young Rwandans-a key target group for adopting behaviors that reduce HIV transmission-and young, engaged couples, who obtain Voluntary Counseling and Testing (VCT) services to learn their HIV sero-status before they wed.

Key Achievements for FY 2003

Democracy and Governance SO 1: Many achievements of USAID's Democracy and Governance Team were linked to progress with information and communication technology (ICT). The Ministry of Justice launched its nationwide computer network called COM SYS-a state-of-the-art wide-area network linking 18 sites including the central Ministry and Attorney General with provincial prosecutor offices and the court system. With the installation of equipment at 100 work stations and training for over 400 users, COM SYS became the first national GOR network on which other Ministries could build their computer networks. In addition to COM SYS, USAID funded the development of database software for the Supreme Court's Department of Gacaca to allow the judiciary to efficiently track allegations and court proceedings. Training of all district accountants under the fiscal decentralization activity was completed and the new accounting system is now being used to manage GOR funds that are flowing to district governments through the Common Development Fund to finance community development projects. Parliamentarians continued to benefit from technical assistance and training on legislative drafting, budget analysis, and fiscal decentralization. They also increased their ICT skills with the installation of an Internet café in the Parliament library and training for 96 legislators and staff in its use as a research tool. As the new senators and parliamentarians take their seats in the new legislature at the end of 2003, they are expected to request USAID assistance for specific training needs of the new Forum for Rwandan Women Parliamentarians, who constitute 50% of the Chamber of Deputies. In Rwandan education institutions, USAID also advanced ICT skills and capabilities by providing equipment, technical assistance and training at the National University of Rwanda for the computer laboratory and development of a new degree course in computer science. The Kigali Institute of Education launched a program in FY 2003 to develop four Distance Learning Centers where secondary school teachers who are not fully qualified can receive in-service training using computer-assisted learning. This USAID-funded program will be operational in 2004 along with the new Primary School Computer Project which aims to install a computer and train two teachers in ICT in each of Rwanda's 2,170 primary schools. The primary school project is a public-private partnership (Global Development Alliance) with World Links that uses USAID funding for the purchase of equipment to leverage technical assistance, training and software that is funded or

donated by participating NGOs and private companies including Microsoft. Since only 6% of these schools have access to electricity, the power supply to run the computers will be the biggest challenge to completing this project.

Health SO 2: With USAID assistance, the Ministry of Health expanded HIV/AIDS prevention and care services to health districts throughout Rwanda at an impressive rate in FY 2003. Two sites began providing anti-retroviral therapy (ART) to AIDS patients, marking the first time that USAID funded ART services anywhere in the world. Ninety-nine patients are currently enrolled. Twenty-seven USAID supported Voluntary Counseling and Testing (VCT) sites served 85,000 clients in FY 2003. Additional funding specifically earmarked for HIV/AIDS prevention of mother to child transmission (PMTCT) supported the expansion of USAID-funded PMTCT sites from 14 to 21 and improved the quality of the service by including family planning, nutrition support, and home-based care services. The 9,730 pregnant women (77% of all those who were eligible) received HIV counseling and testing. The PMTCT expansion, which was jointly programmed by USAID and CDC, formed the basis for the new President's Initiative-PEPFAR-that will be launched in Rwanda in FY 2004. PEPFAR funding will be used to expand ART coverage as well as HIV prevention services. Other significant achievements in health this year include the adoption of a National Reproductive Health Policy that provides a clear framework for delivering improved family planning services. A National Roll-back Malaria Strategy was also adopted that includes presumptive intermittent treatment for pregnant women, which should improve pregnancy outcomes for both mothers and their newborns. A pilot project to sell insecticide-treated bednets through ante-natal clinics proved very successful when follow-up visits showed that mothers and infants were using the product in 90% of the households. This activity will be expanded in 2004 with funding from the Global Fund.

Food Security and Economic Growth SO 3: USAID achieved success this year in expanding agribusinesses and rural enterprises. Specialty coffee production and marketing increased significantly as the number of coffee processing stations rose from one in FY 2002 to nine in FY 2003 and specialty coffee production and processing increased from 49 metric tons in FY 2002 to 334 metric tons in FY 2003. Specialty coffee producers earned nearly four times the price for their coffee cherries compared to world market prices. In addition, producers and traders improved their products and increased sales of passion fruit and pyrethrum. Private sector operators who were assisted by USAID reported a turnover equivalent to \$1,880,176 in FY 2003 up from \$389,499 in FY 2000. The volume of products including juices, jams, fruits and pyrethrum increased to 1,363 metric tons in FY 2003 from 247 metric tons in FY 2000. USAID also provided technical assistance, training and material inputs to 11 rural enterprises including cassava processing, honey production and fisheries to raise rural incomes and employment. Food for Peace grants funded with monetization proceeds also supported diversified agribusiness enterprises in fisheries, chili pepper, wheat and honey. The capacity of the Rwanda's leading credit union was strengthened, resulting in improved accounting systems and data collection, and expansion of services to rural stakeholders. P.L. 480 food assistance provided a safety net for 7,000 orphans, elderly and street children, as well as 4,400 households affected by HIV/AIDS.

Newly Approved Integrated Strategic Plan (ISP): In FY 2003, USAID/Rwanda completed the development of a new, five-year Integrated Strategic Plan (ISP) that was approved by USAID/W to begin in FY 2004. In preparing the ISP, USAID carried out a Conflict Vulnerability Assessment (CVA), an Environmental Threats and Opportunities Assessment (ETOA) and a Gender Assessment. The results and recommendations of these assessments were incorporated into the new SOs or included in the Operating Scenarios, which were developed to allow the Mission to respond flexibly to unforeseen occurrences that could arise in Rwanda during the strategy period.

Conflict: Of particular concern were the potential conflict triggers described in the CVA-the resurgence of trauma and ethnic conflict as a result of the Gacaca process and release of prisoners involved in the Genocide; the redistribution of land that would occur with the passage of the new Land Law that could exacerbate inequitable land holding patterns; and population issues, including the high growth rate and youthfulness of the population and instability that could accompany resettlement of returning refugees and demobilized soldiers. USAID programs are addressing all of these issues to different degrees. Supplemental resources from Economic Support Funds and from Congressional earmarks to assist

Victims of Torture provide support to the GOR Gacaca Court (for training of judges and for equipment and supplies) and to local women's organizations that work with victims of gender and sexual-based violence. USAID will make technical assistance available to the Ministry of Lands and Environment to support the work with the new Land Law. With a modest increase in population funding, USAID plans to expand access to and quality of family planning services. Although not specifically targeted at returning soldiers or refugees, USAID-funded activities aimed at increasing agricultural production and expanding rural enterprise development address the economic disparities that could trigger conflict.

Gender

As a result of training in gender analysis and increased emphasis on gathering gender disaggregated data, all of the USAID SO teams have increased their ability to design and implement programs that better target the specific development needs of Rwandan women and men. An activity to promote awareness and participation in Gacaca encouraged women to run for election as Gacaca judges. With women elected to 50% of the seats in the new Rwandan parliament, the Democracy and Governance Team is developing new training and capacity building activities based on the needs assessment that takes gender into account. Based on gender analysis of HIV/AIDS services, the Health Team developed activities to increase the number of partners of pregnant women who could come to the health center for HIV counseling and testing. The health centers where the program was implemented had a significantly higher number of men who received this important service at the same time as their spouse or partner. The Food Security and Economic Growth Team initiated a new activity in FY 2003 to scale-up micro-finance activities among women's solidarity groups and village banking structures.

Trade Capacity Building

Because USAID activities support market development and improved agriculture and business practices they also include capacity building support for trade. USAID focuses on improving the capacity of growers, processors and entrepreneurs to produce and trade improved value-added products including specialty coffee, pyrethrum, passion fruit, and handicrafts. In FY 2002, USAID contractors provided analysis on free-trade and trained GOR technicians in the use of a specially designed software package-the Rwanda Trade, Trade Revenue Model-that was used to inform the GOR's decision to enter the Common Market for Eastern and Southern Africa (COMESA) in 2004. USAID staff work closely with U.S. Embassy officials in promoting Rwandan participation and training on AGOA. In the area of market development, USAID/Rwanda benefits through collaboration with USAID regional programs including the East and Central Africa Global Competitiveness Hub and the Regional Agriculture Trade Expansion Program (RATES), both of which support trade capacity building.

Country Close and Graduation:

Results Framework

696-001 Increased rule of law and transparency in governance

- 1.1 Justice rendered more effectively
- 1.2 Increased security of property and persons
- 1.3 Increased accountability at all levels of government
- 1.4 Civil society strengthened

696-002 Increased use of sustainable health services in target areas

SO Level Indicator(s):

- Condom use at last risky sex
- District with VCT centers
- HIV seroprevalence rate for women (15-24 years)

- 2.1 Increased availability of decentralized, quality primary health care and STI/HIV services in targeted regions
- 2.2 Improved knowledge and perceptions related to reproductive health, emphasizing STI/HIV, in targeted areas
- 2.3 Enhanced sustainability of Primary Health Care services through improved financial accountability and improved health care financing
- 2.4 Increased Government of Rwanda capacity to provide basic social sector support

696-003 Increased ability of rural families in targeted communities to improve household food security

SO Level Indicator(s):

- Total income of USAID-assisted producer associations, cooperatives and agribusiness firms
- 3.1 Enhanced ability of farmers to produce and market targeted crops
- 3.2 Expanded agribusinesses
- 3.3 Improved policy framework for food security

696-004 Multilateral debt relief trust fund

696-005 Improved governance through increased citizen participation

696-006 Increased use of community health services including HIV/AIDS

696-007 Expanded economic opportunities in rural areas

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